

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A 281.3689

F76

Reserve

U.S. Department of Agriculture • Foreign Agricultural Service • Washington, D.C.

foreign agriculture circular

U.S. DEPT. OF AGRICULTURE
FEDERAL LIBRARY

DEC 9 1975

coffee

FCOF 4-75
October 1975

WORLD COFFEE PRODUCTION IN 1975/76 MATCHES CONSUMPTION NEEDS

Summary

Although favorable growing conditions have boosted coffee crops in several important producing countries, total production in 1975/76 will be about 9 percent lower than in 1974/75. The 1975/76 coffee harvest is expected to be about 72.5 million bags, (132.3 lb) with exportable production of 53 million bags. (Exportable production, as considered in this report, represents total harvested production less domestic consumption in producing countries.)

Total 1974/75 production has been revised upwards by about 700,000 bags due to adjustments in a number of countries. Exportable production in 1974/75 is now carried at 60.4 million bags.

The severe frost that affected the major coffee areas of Brazil on July 17 and 18 will not affect 1975/76 production, but the 1976/77 crop may be off by more than 50 percent.

There will be adequate coffee for world requirements in the 1975/76 marketing year (October–September), as Brazil and several other producing countries have sizable carryover stocks. However, a tighter world coffee situation is expected after September 1976.

Production

NORTH AMERICA. The forthcoming 1975/76 coffee harvests in Mexico, Central America, and the Caribbean area are expected to nearly equal the 1974/75 crop of 14.1 million bags. Exportable production for 1975/76 is estimated at 10.1 million bags, down 143,000 bags from that of the previous year.

Production in El Salvador for 1975/76 is now estimated at 2.3 million bags, a 19 percent decrease from the record

1974/75 crop. Exportable production in 1975/76 is estimated at 2.1 million bags. The decreased crop is partially attributed to lack of rain during the flowering period.

Production in the Dominican Republic in 1975/76 is estimated at a record 900,000 bags, up 14 percent from the 1974/75 crop, which has been revised to 790,000 bags. Favorable weather has induced abundant flowering, with little shedding of beans to this time. Exportable production for 1975/76 is estimated at about 640,000 bags.

Guatemala's 1975/76 crop is likely to reach 2.65 million bags, a 6 percent gain over the revised 1974/75 estimate of 2.5 million bags. Exportable production for 1975/76 has been revised upward to 2.4 million bags. Coffee production in Guatemala has been trending upward in the last few years due to increases in the area devoted to coffee and productivity gains. The impact of higher costs for farm inputs, except for fuel and labor costs, has reportedly been minimal.

The 1975/76 coffee crop in Mexico is now estimated at 3.9 million bags, a 100,000-bag rise over the revised 1974/75 level. The larger crop is mainly due to the favorable growing conditions that have prevailed in the coffee areas. Exportable production for 1975/76 will be approximately 2.1 million bags.

SOUTH AMERICA. The 1975/76 coffee crop in Brazil was not damaged by the severe frost of July 17 and 18, and is estimated at 23 million bags. Exportable production for 1975/76 will be 15 million bags. The effects of the frost were felt most in the State of Paraná, where 100 percent of the trees were damaged, and in São Paulo State. Damage in Minas Gerais was minimal. The 1976/77 Brazilian coffee crop, which will be harvested beginning about May 1976, will probably amount to 8–11 million bags. The 1977/78 crop

may be reduced as well since a large number of trees will need substantial pruning or replacement.

Colombia's 1975/76 coffee crop is expected to total 8.5 million bags, of which about 6.9 million will be exportable. Higher domestic prices for coffee brought on by the recent increases in the world market are expected to encourage more intensive production practices and better care of plantations.

Production in Peru for 1975/76 is expected to equal the 1974/75 crop of 900,000 bags. Exportable production for 1975/76 will be about 630,000 bags. The reduced coffee crops of the past two growing seasons are attributed to a number of factors, including abandonment of coffee plantations in several areas, lack of trained personnel in the production cooperatives under the agrarian reform process, higher production costs, and irregular rainfall in the central region. In order to support coffee producing farms transferred to workers under agrarian reform, the Government of Peru is undertaking steps to improve administrative skills at the cooperative level, and providing small and medium farmers with more security from land expropriation.

AFRICA. Due to unrest in Angola, total production for 1975/76 is expected to be only 1.5 million bags, a 50 percent drop from that of 1974/75. The tense political situation that exists has deterred migrant farm workers from entering the northern coffee areas, and caused many European coffee plantation owners to leave the country.

The 1975/76 coffee harvest in Kenya is expected to yield about 1.2 million bags, with exportable production estimated at 1.1 million bags. There have been no reported outbreaks of coffee berry disease (CBD) yet, but recent unseasonal rains occurring over most of Kenya may bring about the incidence of the disease. The Kenyan Government has recently provided easier credit to the coffee cooperatives for the purchase of agricultural chemicals to minimize any crop damage from CBD.

At the present time there are about 86,000 hectares devoted to coffee production in Kenya. Although there are no new plans for expansion, the Coffee Board is becoming increasingly concerned about a shift of some growers from coffee to other enterprises such as dairy, tea, and pyrethrum. In addition, certain large coffee estates in areas around Nairobi, Limuru, and Upper Kiambu are being replaced by new urban housing developments. In view of the situation, the Coffee Board has accelerated the planting adjustment, infilling, and intensification program started in the 1974/75 season. The program will involve about 22,000 hectares in existing coffee areas during the next 3 years.

Total production for the Malagasy Republic for both 1974/75 and 1975/76 has been revised upwards to 1.2 million bags. Exportable production in 1975/76 will be about 1.1 million bags. Production in the Ivory Coast in 1975/76 is now estimated at 4.3 million bags, down 4 percent from the revised 1974/75 level of 4.5 million. Exportable production for 1975 is expected to be 4.2 million bags. Favorable weather conditions and the absence of any significant insect or disease damage have boosted the 1975/76 crop.

ASIA. Coffee production in the Philippines for 1975/76 is estimated at 950,000 bags, up 6 percent from that of 1974/75. Coffee tree numbers, including both newly planted trees and new bearing trees, have been increasing at the rate of 4 to 6 percent annually for the past few years. Although the Philippines consumes its total production, the recent upsurge in world coffee prices could result in stronger producer organizations and larger production increases with export potential.

Other Developments

With the news of the severe frost that damaged Brazil's coffee areas on July 17 and 18, green coffee prices reacted quickly and rose sharply during late July and August. Colombian Milds were \$1.01 per pound (New York Spot price) on August 13, compared with the June average of 73 cents, but subsequently declined to 92 cents as of September 26. Sales of Brazilian coffees were suspended immediately after the frost, but were reopened on August 1 at 91 cents, f.o.b. On September 26, Santos 4's were quoted at 95.5 cents per pound, ex dock New York. Central American Milds increased 27 cents from their June average to 83 cents as of August 13, falling slightly to 81.75 cents on September 26. The indicator price for African Robustas on September 26 was 76 cents. Reflecting the increases in green coffee prices, several U.S. coffee roasting firms increased their wholesale prices on ground roasted coffee by 10 to 20 cents per pound on July 28. The average wholesale price for ground roasted coffee in June was \$1.22 per pound.

On August 1, the Brazilian Coffee Institute (IBC) increased the minimum domestic support price for coffee from NCr\$500 to NCr\$700 (\$60 to \$85) per 60-Kilogram bag. New minimum export prices were set at 80 cents per pound (f.o.b.) for August, 82 cents for September and 84 cents for October. The IBC also stated that supply contracts with foreign importers for the sale of green coffee will not be renewed or extended except for existing contracts.

The Government of Brazil announced on August 8, a comprehensive emergency rehabilitation plan for the coffee sector, which provides for financing up to a total of NCr\$8.1 billion, nearly \$1 billion. Money will be available on easy terms for virtually any activity related to coffee, including: Pruning of damaged trees, replanting of those killed, planting of certain food crops between the rows to provide income while the farmer waits for his trees to recover, establishment of coffee nurseries, planting of 100 million coffee trees in new areas less exposed to frost, and purchase of fertilizer and other farm inputs. For those growers who wish to get out of coffee entirely, the measure provides for a deferment in payment of present debts and Bank of Brazil financing for other crops.

The International Coffee Organization holds a negotiating conference for a new Coffee Agreement in London, November 3-21, 1975, with a draft agreement prepared prior to the meeting. Individual market shares are one of the most difficult items to resolve.

COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1966-67/1970-71, ANNUAL 1971-72/1975-76 ^{1/}
(IN THOUSANDS OF BAGS) ^{2/}

REGION AND COUNTRY	AVERAGE 1966-67/1970-71	1971-72	1972-73	1973-74	1974-75	1975-76
NORTH AMERICA:						
COSTA RICA.....	1,295	1,350	1,335	1,570	1,400	1,450
CUBA.....	475	460	475	500	450	450
DOMINICAN REPUBLIC.....	604	715	750	845	790	900
EL SALVADOR.....	2,186	2,600	2,100	2,070	2,850	2,300
GUATEMALA.....	3	1	1	1	1	1
HAITI.....	1,770	2,100	2,250	2,200	2,500	2,650
HONDURAS.....	492	575	525	550	535	535
JAMAICA AND DEP.....	478	700	850	775	735	815
MARTINIQUE.....	19	24	22	30	20	20
MEXICO.....	3	1	1	1	1	1
NICARAGUA.....	2,935	3,400	3,700	3,300	3,800	3,900
PANAMA.....	557	700	570	585	675	690
TRINIDAD-TOBAGO.....	81	88	82	72	68	70
US-HAWAII.....	61	49	50	30	52	60
US-PUERTO RICO.....	36	21	22	19	18	18
TOTAL.....	247	150	200	220	200	200
TOTAL.....	11,242	12,934	12,933	12,768	14,095	14,060
SOUTH AMERICA:						
BOLIVIA.....	124	95	95	95	90	90
BRAZIL.....	17,650	23,600	24,000	14,500	27,500	23,000
COLOMBIA.....	7,950	7,200	8,800	7,800	9,000	8,500
ECUADOR ^{3/}	1,022	1,100	1,100	870	1,175	820
GUYANA.....	17	10	12	10	10	10
PARAGUAY.....	43	58	50	50	42	40
PERU.....	909	1,030	1,030	1,000	900	900
SURINAM.....	6	3	3	3	3	3
VENEZUELA.....	827	950	1,100	960	735	1,050
TOTAL.....	28,548	34,036	36,190	25,288	39,455	34,413
AFRICA:						
ANGOLA.....	3,280	3,400	3,500	3,200	3,000	1,500
BURUNDI.....	284	400	355	350	450	400
CAMEROON.....	1,110	1,250	1,440	1,500	1,500	1,500
CAPE VERDE ISLANDS.....	2	1	1	1	1	1
CENT AFRICAN REP.....	167	175	180	190	175	180
COMORO ISLANDS.....	3	2	2	2	2	2
CONGO, BRAZZAVILLE.....	15	14	14	10	10	10
OGADOMEY.....	17	15	15	13	14	14
EQUATORIAL GUINEA.....	128	115	115	105	120	100
ETHIOPIA.....	1,929	2,150	2,100	1,700	2,050	2,000
GABON.....	17	10	15	9	10	10
GHANA.....	85	80	80	45	45	45
GUINEA.....	164	100	125	105	115	105
IVORY COAST.....	3,740	4,475	5,050	3,285	4,500	4,300
KENYA.....	857	1,000	1,265	1,100	1,000	1,165
LIBERIA.....	70	70	85	65	75	75
MALAGASY REPUBLIC.....	999	965	1,000	1,000	1,200	1,200
NIGERIA.....	56	70	70	38	40	40
RWANDA.....	187	260	186	266	256	260
SAO TOME-PRINCIPE.....	5	2	2	2	2	2
SIERRA LEONE.....	91	95	135	67	133	107
TANZANIA.....	881	850	800	700	838	800
TOGO.....	193	200	200	180	200	195
UGANDA.....	2,967	2,850	3,300	3,100	3,000	3,000
ZAIRE (CONGO,K).....	1,070	1,300	1,380	1,150	1,085	935
TOTAL.....	18,316	19,849	21,415	18,183	19,821	17,946
ASIA:						
INDIA.....	1,359	1,200	1,580	1,535	1,665	1,550
INDONESIA.....	2,110	2,250	2,700	2,750	2,900	2,700
MALAYSIA.....	106	63	65	67	70	70
PHILIPPINES.....	766	835	850	865	900	950
PORTUGUESE TIMOR.....	50	65	65	60	65	55
VIETNAM SOUTH.....	53	50	55	55	60	60
YEMEN.....	60	45	45	25	35	35
TOTAL.....	4,503	4,508	5,360	5,357	5,695	5,420
OCEANIA:						
NEW CALEDONIA.....	30	25	25	25	25	25
NEW GUINEA.....	338	480	560	588	633	680
NEW HEBRIDES.....	3	2	2	2	2	2
TOTAL.....	372	507	587	615	660	707
WORLD TOTAL.....	62,981	71,834	76,485	62,211	79,726	72,546

^{1/} Coffee marketing year begins about July in some countries and in others about October. ^{2/} Or 60 kilograms each. ^{3/} As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1975 in that country is shown as production for the 1975-76 marketing year. In Ecuador, however, this is referred to as the 1974-75 crop.

Note: Production estimates for some countries include cross-border movements.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

COFFEE, GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1966-67/1970-71, ANNUAL 1971-72/1975-76 ^{1/}
(IN THOUSANDS OF BAGS) ^{2/}

REGION AND COUNTRY	AVERAGE 1966-67/1970-71	1971-72	1972-73	1973-74	1974-75	1975-76
NORTH AMERICA:						
COSTA RICA.....	1,150	1,190	1,160	1,400	1,225	1,268
CUBA.....	54	35	20	50	---	---
DOMINICAN REPUBLIC.....	425	490	490	600	537	639
EL SALVADOR.....	2,041	2,440	1,935	1,895	2,670	2,114
GUADALOUPE.....	3/	3/	3/	3/	2/	2/
GUATEMALA.....	1,536	1,845	1,990	1,925	2,217	2,359
HAITI.....	303	370	325	340	320	315
HONDURAS.....	379	575	720	635	595	668
JAMAICA.....	6	9	6	14	4	4
MARTINIQUE.....	---	---	---	---	---	---
MEXICO.....	1,501	1,835	2,100	1,690	2,056	2,095
NICARAGUA.....	494	615	480	496	583	595
PANAMA.....	17	23	20	---	---	---
TRINIDAD-TOBAGO.....	48	27	40	13	35	42
US-HAWAII.....	11	1	2	---	---	---
US-PUERTO RICO.....	3	---	---	---	---	---
TOTAL.....	7,968	9,455	9,288	9,058	10,242	10,099
SOUTH AMERICA:						
BOLIVIA.....	52	65	65	73	68	68
BRAZIL.....	9,299	14,850	15,000	6,370	19,135	15,000
COLOMBIA.....	6,618	5,750	7,430	6,250	7,400	6,850
ECUADOR ^{4/}	816	875	860	625	925	570
GUYANA.....	1	---	---	---	---	---
PARAGUAY.....	24	43	35	28	19	17
PERU.....	694	800	800	750	640	634
SURINAM.....	2	1	1	1	1	1
VENEZUELA.....	235	300	430	255	5	300
TOTAL.....	17,742	22,684	24,621	14,352	28,193	23,440
AFRICA:						
ANGOLA.....	3,204	3,300	3,400	3,095	2,895	3,394
BURUNDI.....	279	395	350	345	445	395
CAMEROON.....	1,081	1,220	1,410	1,473	1,473	1,472
CAPE VERDE ISLANDS.....	1	---	---	---	---	---
CENT AFRICAN REP.....	161	165	170	179	164	169
COMORO ISLANDS.....	1	1	1	---	---	---
CONGO, BRAZZAVILLE.....	14	13	13	9	9	0
DAHOMY.....	15	14	14	12	13	13
EQUATORIAL GUINEA.....	119	110	110	100	115	95
ETHIOPIA.....	1,402	1,490	1,410	1,005	1,340	1,275
GABON.....	15	9	14	8	9	9
GHANA.....	76	67	67	31	31	30
GUINEA.....	154	95	120	100	109	90
IVORY COAST.....	3,685	4,400	4,985	3,219	4,432	4,230
KENYA.....	839	973	1,240	1,073	972	1,136
LIBERIA.....	47	65	80	60	69	69
MALAGASY REPUBLIC.....	884	835	865	865	1,060	1,058
NIGERIA.....	44	50	40	11	12	12
RWANDA.....	182	254	180	260	250	254
SAO TOME-PRINCIPE.....	3	1	1	---	---	---
SIERRA LEONE.....	83	90	130	62	128	102
TANZANIA.....	865	830	780	678	816	774
TOGO.....	189	197	197	177	197	192
UGANDA.....	2,952	2,830	3,280	3,078	2,978	2,978
ZAIRE (CONGO-K).....	985	1,200	1,265	1,040	975	820
TOTAL.....	17,300	18,604	20,122	16,880	18,492	16,569
ASIA:						
INDIA.....	634	435	820	730	845	710
INDONESIA.....	1,518	1,320	1,650	1,795	1,925	1,705
MALAYSIA.....	---	---	---	---	---	---
PHILIPPINES.....	4	---	---	---	---	2
PORTUGUESE TIMOR.....	44	60	60	50	54	44
VIETNAM SOUTH.....	3/	3/	3/	3/	3/	3/
YEMEN.....	50	35	35	20	31	30
TOTAL.....	2,250	1,850	2,565	2,595	2,854	2,491
OCEANIA:						
NEW CALEDONIA.....	21	15	15	14	14	14
NEW GUINEA.....	325	474	550	584	629	675
NEW HEBRIDES.....	3	1	1	1	1	1
TOTAL.....	349	490	570	599	644	690
WORLD TOTAL.....	45,608	53,083	57,166	43,484	60,425	53,309

^{1/} Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. ^{2/} Or 60 kilograms each. ^{3/} Negligible. ^{4/} As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1975 in that country is shown as production for the 1975-76 marketing year. In Ecuador, however, this is referred to as the 1974-75 crop.

Note: Production estimates for some countries include cross-border movements.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

GREEN COFFEE: U.S. GROSS IMPORTS FOR CONSUMPTION BY MONTHS, 1971-75
(In bags 1/)

Month/year	1971	1972	1973	1974	1975 <u>2/</u>
January	2,001,664	2,547,359	1,996,285	2,182,348	1,851,613
February	1,530,384	2,172,388	1,844,698	2,021,633	1,656,028
March	1,479,955	1,137,258	2,100,438	2,457,448	1,534,871
April	2,031,987	1,146,043	2,049,536	2,264,222	1,448,487
May	1,760,254	1,783,520	2,494,016	1,867,795	1,365,017
June	1,939,453	1,452,121	1,714,696	1,528,705	1,735,631
January-June ..	10,743,697	10,238,689	12,199,669	12,322,151	9,591,647
July	2,131,707	1,434,110	1,572,749	1,499,043	<u>3/</u>
August	2,719,345	1,946,966	1,731,386	1,152,052	<u>3/</u>
September	2,737,661	2,148,989	1,403,295	820,716	<u>3/</u>
October	620,868	2,056,863	1,628,443	739,702	<u>3/</u>
November	874,923	1,642,774	1,637,462	1,159,285	<u>3/</u>
December	1,818,017	1,288,351	1,680,518	1,549,655	<u>3/</u>
July-December ..	10,902,521	10,518,053	9,653,853	6,920,453	<u>3/</u>
Calendar year total	21,646,218	20,756,742	21,853,522	19,242,604	<u>3/</u>
Fiscal year total <u>4/</u>	19,952,156	21,141,210	22,717,722	21,976,004	16,512,100
ICO year total <u>5/</u>	23,025,162	19,082,562	21,895,087	20,740,385	<u>3/</u>

1/ 132.276 lb. or 60 kg.

2/ Preliminary.

3/ Not available.

4/ Year ending June 30 of year shown.

5/ Year ending September 30 of year shown. ICO is International Coffee Organization.

Compiled from U.S. Bureau of Census data.

GREEN COFFEE: U.S. GROSS IMPORTS BY COUNTRY OR AREA OF ORIGIN

Area of origin	Average		1973		1974		Jan-June 1975	
	Mil. bags	Per cent	Mil. bags	Per cent	Mil. bags	Per cent	Mil. bags	Per cent
	2/		2/		2/		2/	
Brazil	6.17	28	4.63	21	2.73	14	1.86	15
Africa and Asia	7.84	36	8.01	37	7.65	40	5.06	41
Europe	3/	-	.08	-	.04	-	3/	-
Mild coffees:								
Colombia	2.75	13	2.88	13	3.09	16	2.21	18
Other South America	1.22	6	1.11	5	1.05	6	.57	5
Mexico and Central America	3.23	15	4.50	21	4.04	21	2.25	18
Caribbean44	2	.64	3	.64	3	.37	3
Total Milds	7.64	36	9.13	42	8.82	46	5.40	44
Total World	21.65	100	21.85	100	19.24	100	12.32	100

1/ Preliminary. 2/ 132,276 lb. or 60 kg. 3/ Less than 10,000 bags.

Compiled from U.S. Bureau of Census data.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE



AGR 101
FIRST CLASS

If you no longer need this publication, check here _____ and return this sheet and/or envelope in which it was mailed and your name will be dropped from mailing list.

If your address should be changed _____ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U. S. Department of Agriculture
Washington, D. C. 20250

FCOF 4-75